

TABLE OF CONTENTS

EXECUTIVE SUMMARY	i
I. INTRODUCTION	1
A. <u>Report Process</u>	1
B. <u>Desirability of Wind Power</u>	2
II. WIND POWER POTENTIAL	4
A. <u>Development Considerations</u>	4
B. <u>Wind Potential Estimates</u>	5
C. <u>Wind Development Experience</u>	7
1. Mars Hill	8
2. Redington	8
3. Fox Island	8
4. Boundary Mountains	9
III. COST OF WIND POWER	10
IV. AVAILABLE MARKETS	14
A. <u>State Renewable Requirements</u>	14
B. <u>Canadian Markets</u>	15
C. <u>Green Market</u>	16
V. SYSTEM IMPLICATIONS	17
A. <u>Overview</u>	17
B. <u>Wind Power Characteristics</u>	18
1. Reliability	18
2. Energy Market Implications	19

3. Resource Mix Implications	20
4. Emissions Impacts	21
5. Impacts On Existing Facilities	22
VI. OBSTACLES TO WIND POWER DEVELOPMENT	24
A. <u>Project Financing and Long-Term Power Contracts</u>	24
B. <u>Public Opposition</u>	25
C. <u>Environmental Permitting</u>	26
D. <u>Grid Interconnection Procedures</u>	26
E. <u>Market Prices in Maine</u>	27
VII. SITIING OF WIND POWER ON TRIBAL LANDS	28
VIII. ALTERNATIVE APPROACHES TO PROMOTING WIND POWER IN MAINE: CONSIDERATIONS AND RECOMMENDATIONS	30
A. <u>Renewable Portfolio Standards</u>	30
1. General Description	30
2. Appropriate Design	30
3. Mitigation of RPS Costs	31
4. Considerations	32
5. Recommendations	33
B. <u>System Benefit Charge</u>	33
1. General Description	33
2. Considerations	33
3. Recommendations	34
C. <u>FAME Financing</u>	34
1. General Description	34

2. Considerations	35
3. Recommendations	37
D. <u>Tax Incentives</u>	37
1. General Description	37
2. Considerations	37
3. Recommendations	38
E. <u>State or State-Mandated Purchases</u>	38
1. General Description	38
2. Considerations	39
3. Recommendations	40
F. <u>Environmental Permitting</u>	40
1. General Description	40
2. Considerations	40
3. Recommendations	41
G. <u>Public Acceptance</u>	43
1. General Description	43
2. Considerations	43
3. Recommendations	43
IX. CONCLUSION	44

TABLE OF APPENDICES

Entitles Interviewed or Provided Comment on Report	A
Classes of Wind Power	B
Wind Energy Resource Map	C
Physical Wind Potential In Twenty States	D
Refined Physical Wind Potential in Northeast States	E
Location of Tribal Land	F